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## ***After the Fact***

### **House Fiscal Division**

#### **2007 Regular Session - Tax Credits, Deductions, Exemptions, and Exclusions**

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#### **Passed by both Houses and sent to the Governor**

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<b>Bill No.</b>	<b>Author</b>	<b>Summary</b>
HB 365	TOWNSEND	<b>TAX/INCOME-INDIV/EXEMPT:</b> Provides for a phase-in of the state individual income tax deduction for federal excess itemized deductions by granting 57.5% of such deductions for 2007, 65% for 2008, and 100% for 2009 and thereafter
SB 341	L JACKSON	<b>TAX/INCOME-INDIV/CREDIT:</b> Provides for a refundable state earned income tax credit equal to 3.5% of the federal earned income tax credit
HB 505	RICHMOND	<p><b>TAX/SALES &amp; USE:</b> Effective July 1, 2008, the state sales and use tax rate for steam and water (excluding mineral water or carbonated water or any water in bottles, jugs, or containers) shall be reduced from 3.8% to 2.8% and the rate for electric power or energy, natural gas, and for all energy sources used for boiler fuel except refinery gas shall be reduced from 3.3% to 2.3%. Effective July 1, 2009, the tax rate on such items shall be reduced to 0%</p> <p>Authorizes a state sales and use tax exemption for taxable periods between October 1, 2007 and July 1, 2010, for the purchase, lease, or rental of machinery or equipment used by any new manufacturing facility which locates in Orleans or St. Bernard parishes after June 30, 2007 and which adds value to certain commodities that have been imported through the Port of New Orleans or to any new company which locates in Orleans or St. Bernard parishes after June 30, 2007, which is primarily engaged in nanotechnology, medical research, clinical trials, pharmaceuticals manufacturing or related patent development</p>
SB 45	MARIONNEAUX	<b>TAX/INCOME/PERSONAL:</b> Grants an individual income tax deduction for 50% of elementary and secondary education tuition paid between July 1, 2008 and June 30, 2010, or \$5,000, whichever is less.
SB 3	MARIONNEAUX	<b>TAX/SALES:</b> Establishes the annual Louisiana Sales Tax Holiday to exempt from state sales tax each year the first \$2,500 of any consumer purchase of tangible personal property on the first consecutive Friday and Saturday of August each year.
HB 225	ST GERMAIN	<p><b>TAX/SALES-USE-EXEMPT:</b> Provides for an annual "sales tax holiday" during the last weekend of May each year beginning at 12:01 a.m. on Saturday and ending at 11:59 p.m. on Sunday, affecting state sales and use taxes on the first \$1,500 of the purchase price on the purchase of certain hurricane-preparedness items or supplies</p> <p>Authorizes the reduction in state and local sales and use taxes for machinery and equipment purchased by certain recyclable material merchant wholesalers engaged in manufacturing activities, which must include shredding facilities</p>

Bill No.	Author	Summary
HB 936	TOWNSEND	<b>TAX CREDITS:</b> Provides for changes and modifications to the motion picture investor tax credits, especially with regard to state-certified infrastructure credits. Consolidates the tax credit for state-certified infrastructure projects into one 40% tax credit for base investments in excess of \$300,000 lasting until January 1, 2009, for projects which meet the certain criteria and which are approved by the office, the secretary of DED, and DOA, provided that the total tax credit allowed for any one project cannot exceed \$25 million. The tax credit must be "earned" and may be "structured"
SB 361	DUPLESSIS	<b>TAX/TAXATION:</b> Grants school readiness tax credits to individuals for child care expenses of children five and under, to child care providers, to child care directors and staff, and to businesses providing assistance for child care
SB 218	MURRAY	<b>TAX/TAXATION:</b> Grants refundable income tax credits related to musical or theatrical productions and musical or theatrical facility infrastructure projects
HB 633	TOWNSEND	<b>TAX/SALES &amp; USE:</b> Provides for the immediate, full phase-in of the reduction in sales and use taxes for machinery and equipment purchased by motor vehicle manufacturers
HB 464	TOWNSEND	<b>TAX/SALES-USE-EXEMPT:</b> Provides that the sales and use tax exemption for utilities purchased by steelworks, blast furnaces, coke ovens, and rolling mills shall be effective indefinitely for all taxable periods beginning after July 1, 2007
HB 678	CARTER, K.	<b>TAX/INCOME:</b> Provides for a residential property insurance tax credit of 7% of the premiums for a homeowner's insurance policy, condominium owners' insurance policy, or a tenant homeowners' insurance policy paid by the individual during the tax year for the primary residence of the individual, less the amount for which a credit is granted pursuant to R.S. 47:6025 (The Citizen's Assessment Tax Credit) effective July 1, 2008
HB 29	FRITH	<b>TAX/SALES-USE, ST-EXEMPT:</b> Provides that the state sales tax exemption for certain farm irrigation equipment and exemption for the gross proceeds derived from the sale in this state of livestock at public sales sponsored by breeders' or registry associations or livestock auction markets shall be applicable, operable, and effective indefinitely starting July 1, 2007
HB 117	MONTGOMERY	<b>TAX/GASOLINE TAX:</b> Provides for an exemption for gasoline used in the manufacture of certain premixed two-cycle engine fuel containing gasoline and oil from July 1, 2007 to June 30, 2012
HB 141	TOWNSEND	<b>TAX/TAXATION:</b> Extends the income and corporation franchise tax credit for the rehabilitation of historic structures located in a downtown development district until Jan. 1, 2012
HB 170	FARRAR	<b>TAX/SALES &amp; USE:</b> Provides for a state sales and use tax exclusion for machinery and equipment for certain utilities effective July 1, 2008

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HB 231	MONTGOMERY	<b>TAX/SALES-USE, STATE:</b> Exempts certain purchases of off-road vehicles from state sales and use taxes effective October 30, 2007
HB 240	TOWNSEND	<b>TAX/SALES &amp; USE:</b> Provides for a sales and use tax exemption for certain trucks and trailers
HB 241	BALDONE	<b>TAX/SALES-USE-EXEMPT:</b> Provides for an exclusion from state sales and use taxes for food purchases made by certain nonpublic schools effective Oct. 1, 2007
HB 359	TOWNSEND	<b>TAX EXEMPTIONS:</b> Provides relative to tax exemptions and credits in cultural product districts (1/1/2008)
HB 361	TOWNSEND	<b>TAX CREDITS:</b> Extends time period for income tax credits for the rehabilitation of certain owner-occupied residential structures to Jan. 1, 2012
HB 366	TOWNSEND	<b>TAX EXEMPTIONS:</b> Provides with respect to tax exemptions and tax credits for the Atchafalaya Trace Heritage Area Development Zone and for the Cane River Heritage Area
HB 372	TOWNSEND	<b>TAX CREDITS:</b> Provides for a refundable enterprise zone income tax investment tax credit
HB 386	MORRIS	<b>TAX/SALES &amp; USE:</b> Provides for an exclusion from state and local sales and use taxes for newspapers
HB 408	CAZAYOUX	<b>TAX CREDITS:</b> Provides for various changes to the Technology Commercialization Tax Credit
HB 417	FAUCHEUX	<b>TAX/GASOLINE TAX:</b> Provides for refunds of taxes paid on blend stocks or feed stocks when used to produce non-motor fuel products
HB 428	J R SMITH	<b>TAX/INCOME-INDIV/CREDIT:</b> Provides for an income tax credit for amounts paid for hunting and fishing licenses by certain military service members
HB 640	CAZAYOUX	<b>TAX CREDITS:</b> Provides that the Angel Investor Tax Credit Program shall be a refundable tax credit
HB 696	PINAC	<b>TAX CREDITS:</b> Authorizes additional uses of credits under the Louisiana Capital Companies Tax Credit Program

<b>Bill No.</b>	<b>Author</b>	<b>Summary</b>
HB 757	SALTER	<b>TAX/SALES &amp; USE:</b> Includes certain machinery and equipment used primarily to produce a news publication within the state sales and use tax exclusion for manufacturing machinery and equipment and provides for an exclusion for machinery and equipment purchased by certain radio stations.
HB 795	SALTER	<b>SMALL BUSINESS:</b> Provides relative to the Louisiana Community Development Financial Institution Act
HB 847	JEFFERSON	<b>TAX/INCOME-INDIV/CREDIT:</b> Provides for a \$1,000 individual income tax deduction for 2007 and 2008 for certain teachers re-employed by a school board in certain parishes which have been impacted by Hurricanes Katrina and Rita
HB 870	PINAC	<b>TAX CREDITS:</b> Creates the Hurricane Recovery Capital Tax Credit Program
HB 892	TOWNSEND	<b>TAX CREDITS:</b> Provides relative to the Louisiana Capital Companies Tax Credit Program to grant premium tax reductions for certain insurers, to authorize the extension of the period of time for tax reductions for certain investments, to prohibit income tax credits resulting in the additional reduction of total income tax revenues, and to authorize the increase of total premium tax revenues which qualify for insurance premium tax credits
HB 916	FARRAR	<b>TAX/SALES &amp; USE:</b> Provides for a state and local sales and use tax exclusion for leases or rentals by manufacturers of pallets which are used in packaging products produced by the manufacturer
HB 926	LAFONTA	<b>TAX CREDITS:</b> Creates the Mentor-Protege Tax Credit Program
HB 929	TRICHE	<b>TAX CREDITS:</b> Provides for a tax credit for overpayments made by certain taxpayers under the Inventory Tax Credit
HB 935	GALLOT	<b>TELECOMMUNICATIONS:</b> Conforms the taxation of telecommunications services in Louisiana to the Streamlined Sales Tax Project
HB 944	GALLOT	<b>TAX/SALES-USE, ST-CREDIT:</b> Provides for a state sales and use tax exemption for certain water conservation equipment in the Sparta Groundwater Conservation District from July 1, 2007 to June 30, 2010
HB 949	MARCHAND	<b>TAX/INCOME TAX:</b> Provides for a \$500 individual income tax deduction for persons who volunteer for certain recreation departments and volunteer firefighters

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HB 973	RITCHIE	<b>TAX CREDITS:</b> Provides a tax credit for certain milk producers
HB 975	ODINET	<b>TAX/SALES-USE-EXEMPT:</b> Authorizes a state sales and use tax exemption for Louisiana residents whose primary residence was located in the disaster area on August 29, 2005, for purchases of tangible personal property between August 29, 2005, and June 30, 2009, used for restoring a primary residence damaged by Hurricane Katrina or Rita, or for repairing or replacing tangible personal property located in a primary residence damaged by Hurricane Katrina or Rita. All such refunds shall be limited to one refund per household and shall not exceed \$3,000.
SB 5	MOUNT	<b>TAX/INCOME/PERSONAL:</b> Removes the expiration date for the state income tax exemption for certain military personnel.
SB 9	MICHOT	<b>TAX CREDITS:</b> Provides for a tax credit for conversion of certain sugar cane trailers
SB 32	MURRAY	<b>TAX/TAXATION:</b> Grants an individual and corporate income tax deduction for Road Home, Louisiana Recovery Authority, and Louisiana Family Recovery Corps benefits.
SB 37	DUPRE	<b>TAX/TAXATION:</b> Excludes storm shutter devices from state sales tax, and authorizes local tax authorities to do the same.
SB 55	HINES	<b>TAX/SALES:</b> Exempts prescription eyeglasses and contact lenses from state sales and use tax.
SB 65	ADLEY	<b>TAX/SALES:</b> Provides an exemption in the form of a restricted refund of state sales tax to nonprofit organizations which sell donated items and spend at least 75% of their income on matters related to people with workplace disabilities or disadvantages.
SB 70	MICHOT	<b>TAX/TAXATION:</b> Extends the termination date of the sound recording investor tax credit and makes other changes and provides tax credits for conversion of eligible sugar cane trailers.
SB 90	N GAUTREAUX	<b>TAX EXEMPTIONS:</b> (1) Provides for a refundable individual and corporate income tax credit for the installation of a wind or solar energy system; (2) Repeals the state gift tax, effective July 1, 2008; (3) Eliminates the requirement of paying the state inheritance tax and authorizes a refund for such tax paid for deaths occurring after June 30, 2004
SB 108	CHEEK	<b>TAX/TAXATION:</b> Exempts household goods carriers from the 2% gross receipts tax on public utilities.

<b>Bill No.</b>	<b>Author</b>	<b>Summary</b>
SB 124	BROOME	<b>ECONOMIC DEVELOPMENT:</b> Enacts the Louisiana Community Economic Development Act.
SB 138	FONTENOT	<b>TAX/TAXATION:</b> Grants a refundable credit against income and corporate franchise tax for the purchase of certain items from certain contractors employing inmate labor.
SB 182	QUINN	<b>TAX/TAXATION:</b> Grants a "construction code retrofitting deduction" against taxable income equal to 50% of the cost of voluntarily retrofitting residential property to bring it into compliance with the State Uniform Construction Code, not to exceed a \$5,000 deduction.
SB 188	DUPLESSIS	<b>TAX/TAXATION:</b> Restructures the "new markets tax credit."
SB 190	MURRAY	<b>GAMING:</b> Provides for the calculation of franchise payments for video draw poker devices.
SB 250	MICHOT	<b>TAX/TAXATION:</b> Authorizes a business to receive a \$2,500 enterprise zone credit if 35% of its employees are residents of any enterprise zone, not just an enterprise zone within the parish of its location or a contiguous parish.
SB 255	HOLLIS	<b>TAX/TAXATION:</b> Provides relative to tobacco tax discounts to out-of-state wholesale tobacco dealers and increases the tobacco tax discount from 6% to 8%.
SB 272	C ROMERO	<b>TAX/SALES:</b> Changes an "exemption" for the repair, renovation or converting of any OCS drilling rig to an "exclusion" and for exclusions of certain repairs to property and provides that certain parishes may participate in certain state sales and use tax holidays
SB 285	MICHOT	<b>ECONOMIC DEVELOPMENT:</b> Amends the Louisiana Quality Jobs Program.
SB 292	MICHOT	<b>TAX EXEMPTIONS:</b> Removes the 10-year limit on tax equalization contracts granted by the Board of Commerce and Industry against state excise taxes (not property taxes) and authorizes renewals for five-year periods or less, if approved by the Joint Legislative Committee on the Budget.
SB 331	ELLINGTON	<b>TAX/SALES:</b> Excludes from state sales tax natural gas and electricity purchased by paper or wood products manufacturing facilities and provides for a state and local sales and use tax exemption for certain water conservation equipment in the Sparta Groundwater Conservation District
SB 332	NEVERS	<b>TAX/TAXATION:</b> Grants employers a non-refundable "apprenticeship tax credit" for all taxable periods between 1/1/2008 and 12/31/2010 against any income tax or franchise tax equal to \$1.00 for each hour of employment of each apprentice, not to exceed 1,000 hours for each apprentice.

Bill No.	Author	Summary
SB 339	FONTENOT	<b>TAX/TAXATION:</b> Provides relative to income tax credits for brownfields sites.
SB 352	MICHOT	<b>TAX/TAXATION:</b> Requires employees eligible for Enterprise Zone job credits to be United States citizens and residents and domiciled in Louisiana, or to establish such domicile within 60 days of their employment.
SB 360	MICHOT	<b>TAX/SALES:</b> Phases out and then repeals, effective 1/1/2009, collection of advance sales tax of the state and its political subdivisions by manufacturers, wholesalers, jobbers, and suppliers from retail dealers.

For answers to questions relating to the foregoing list or any other tax issue, contact the House Ways and Means Staff:

Dirk Thibodeaux      thiboded@legis.state.us, 225-342-2303  
Alison Pryor      pryora@legis.state.la.us, 225-342-8357